



**West Virginia Retiree Health Benefit Trust Fund  
and  
PEIA Finance Board**

**Public Hearings  
February 12, 13 and 14, 2018, 6-8 p.m.**

**Charleston 2/12/18  
Morgantown 2/13/18  
Beckley 2/14/18**

# PEIA Finance Board

## John Myers, Chairman

### Members:

- Lee Diznoff
- Jason Myers
- Amanda Meadows
- Jared Robertson
- Ray Whiting
- William "Bill" Milam
- Michael T. Smith
- Geoff Christian

# Agenda

- Review of revised Plan Year 2019 Plan
- Public Comment

# All PEIA PPB Plans Active employees and non-Medicare retirees

- No Premium Increase
- No Benefit changes
- Plans remain at 2018 benefit levels
- Keep “State plan” premium structure at 2018 design with 10 index codes
  - No total family income
  - Cancel implementation of Employee and Spouse coverage tier
  - Keep Family with Employee Spouse coverage tier
- Reduce telehealth copay to \$30/visit

# Special Medicare Plan and Humana Plan Proposal

- For Calendar Year 2019
  - No Premium Increase
  - No benefit changes
  - No changes to PEIA Retiree Premium and Benefit Assistance program
- For **Special Medicare Plan** only:
  - Reduce telehealth copay to \$30/visit

# Healthy Tomorrows Future

- Keep Healthy Tomorrows program at 2018 design:
  - For Plan Year 2020, must have primary care physician, have and report bloodwork between 4/2/18 and 5/15/19 with numbers in range or physician's certification that the numbers cannot be met for a medical reason
  - *Voluntary alternative* to bloodwork: register and use Go365 platform to earn 3,000 points between 7/1/18 and 5/15/19
- Healthy Tomorrows program for Plan Year 2019:
  - Those who met the Healthy Tomorrows goals for the current plan year don't have to submit bloodwork by 5/15/18
  - Those who DIDN'T meet the Healthy Tomorrows goals for this year MUST submit bloodwork within range (or have a doc's statement that they can't) by 5/15/18 or pay \$500 penalty deductible
- Active employees and non-Medicare retirees only
  - Policyholders only – no spouses or dependents required

# WV PEIA Local Fund Financial Plan FY 2018 - FY 2022

**DRAFT**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Local Fund Premium Increase</b>	\$ 6,600,000	\$ -	\$ 19,000,000	\$ 20,500,000	\$ 16,500,000
Increase	7.4%	0.0%	15.2%	14.3%	10.0%
<b>Board Decision Benefit Reduction - Active Local Medical</b>	\$ 5,560,000	\$ -	\$ -	\$ -	\$ -
<b>Board Decision Benefit Reduction - Active Local Drugs</b>	\$ 1,614,000	\$ -	\$ -	\$ -	\$ -
<b>PPACA Reinsurance Contributions (Cost)</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PPACA Comparative Effectiveness Research Fees (Cost)</b>	\$ (49,881)	\$ (48,781)	\$ -	\$ -	\$ -
<b>Pay Go Premium Transfer</b>	\$ 26,936,914	\$ 27,184,819	\$ 28,794,647	\$ 31,098,659	\$ 33,611,736
<b><u>Local Fund</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Beginning Reserve	37,838,456	37,573,470	27,544,107	24,259,226	27,145,432
Fiscal Year Results	(264,986)	(10,029,364)	(3,284,881)	2,886,207	3,432,628
Ending Reserve	<u>37,573,470</u>	<u>27,544,106</u>	<u>24,259,226</u>	<u>27,145,433</u>	<u>30,578,060</u>
<b>Minimum Actuarial Reserve Required</b>	<u>19,971,561</u>	<u>21,816,651</u>	<u>24,165,649</u>	<u>26,890,427</u>	<u>30,115,056</u>
PEIA/RHBT Expenses	144,784,294	158,203,037	175,670,448	195,962,576	220,068,000
Reserve as a Percent of Expenses	<b>26%</b>	<b>17%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>
<b>Growth In Program Expenses</b>	<b>6.3%</b>	<b>7.3%</b>	<b>8.6%</b>	<b>9.4%</b>	<b>9.8%</b>

# WV PEIA State Fund Financial Plan FY 2018 - FY 2022

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	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Additional Employer Premium</b>	\$ -	\$ 8,000,000	\$ 55,000,000	\$ 77,500,000	\$ 60,000,000
Increase	0.0%	1.6%	10.8%	13.7%	9.4%
<b>Employee Premium</b>	\$ -	\$ -	\$ 13,800,000	\$ 19,400,000	\$ 15,000,000
Increase	0.0%	0.0%	10.9%	13.8%	9.4%
<b>State Direct Transfer</b>	\$ 10,000,000	\$ 31,000,000	\$ 10,000,000	\$ -	\$ -
<b>Board Decision Benefit Reduction - Active State Medical</b>	\$ 23,887,000	\$ -	\$ -	\$ -	\$ -
<b>Board Decision Benefit Reduction - Active State Drugs</b>	\$ 7,878,000	\$ -	\$ -	\$ -	\$ -
<b>PPACA Reinsurance Contributions (Cost)</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PPACA Comparative Effectiveness Research Fees (Cost)</b>	\$ (272,706)	\$ (271,780)	\$ -	\$ -	\$ -
<b>Pay Go Premium Transfer</b>	\$ 128,789,357	\$ 126,815,181	\$ 131,205,353	\$ 138,901,341	\$ 146,388,264
<b><u>State Fund</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Beginning Reserve	111,205,735	125,786,754	125,407,861	117,213,691	129,490,826
Fiscal Year Results	14,581,019	(378,893)	(8,194,170)	12,277,135	14,249,848
<u>Ending Reserve</u>	<u>125,786,754</u>	<u>125,407,861</u>	<u>117,213,691</u>	<u>129,490,826</u>	<u>143,740,674</u>
<u>Minimum Actuarial Reserve Required</u>	<u>97,909,225</u>	<u>106,208,236</u>	<u>116,739,920</u>	<u>128,976,334</u>	<u>143,141,971</u>
PEIA/RHBT Expenses	716,244,960	776,278,883	854,130,645	944,689,804	1,049,526,071
Reserve as a Percent of Expenses	<b>18%</b>	<b>16%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>
<b>State Share</b>	<b>79.7%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>
<b>Employee Share</b>	<b>20.3%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>20.0%</b>
<b>Growth In Program Expenses</b>	<b>0.5%</b>	<b>6.8%</b>	<b>8.0%</b>	<b>8.9%</b>	<b>9.2%</b>

# WV RHBT Medicare Fund Financial Plan CY 2018 - CY 2022

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	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Retiree Premium Increase - Medicare (Calendar Year)</b>	\$ 2,255,121	\$ 1,545,635	\$ 22,002,832	\$ 23,378,883	\$ 34,282,514
Increase	2.4%	0.0%	38.9%	29.0%	32.8%
<b>General Revenue Transfer (OPEB Funding)</b>	\$ 17,964,047	\$ 18,066,798	\$ 17,951,676	\$ 18,085,390	\$ 18,433,380
<b>General Revenue Transfer (Premium Offset)</b>	\$ 2,994,008	\$ 3,011,133	\$ 2,991,946	\$ 1,489,625	\$ -
<b>Board Decision Benefit Reduction - Humana MAPD (Calendar Year)</b>	\$ 20,600,000	\$ -	\$ -	\$ -	\$ -
<b>Board Decision Benefit Reduction - Retiree Medicare</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reinsurance Contributions (Cost)</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Comparative Effectiveness Research Fees (Cost)</b>	\$ (25,175)	\$ (12,974)	\$ -	\$ -	\$ -
<b>Pay Go Premium Transfer</b>	\$ 100,519,140	\$ 101,744,589	\$ 108,562,794	\$ 117,964,392	\$ 122,837,319

<u>Medicare Fund (Calendar Year)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Beginning Reserve</b>	\$ 477,581,110	\$ 537,177,192	\$ 583,239,265	\$ 634,781,814	\$ 689,434,234
<b>Fiscal Year Results</b>	59,596,081	46,062,074	51,542,549	54,652,421	58,225,709
<b>Ending Total Reserve</b>	537,177,192	583,239,265	634,781,814	689,434,234	747,659,944
<b>Ending Premium Stabilization Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Growth In Program Expenses</b>	-1.2%	14.4%	15.1%	15.7%	16.3%
<b>Retiree Subsidy</b>	\$ 101,038,039	\$ 121,711,805	\$ 126,474,341	\$ 135,119,598	\$ 139,286,179
<b>Percent Paid By Retiree</b>	33.0%	29.6%	36.6%	41.6%	48.3%

# WV RHBT Non-Medicare Fund Financial Plan FY 2018 - FY 2022

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	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Retiree Premium Increase- Non-Medicare (Fiscal Year)</b>	\$ 1,051,667	\$ 0	\$ 6,979,832	\$ 9,003,814	\$ 10,872,314
Increase	4.0%	0.0%	16.7%	17.4%	16.9%
<b>General Revenue Transfer (OPEB Funding)</b>	\$ 12,177,650	\$ 11,894,257	\$ 11,972,147	\$ 12,124,501	\$ 11,704,720
<b>General Revenue Transfer (Premium Offset)</b>	\$ 2,029,608	\$ 1,982,376	\$ 1,995,358	\$ 2,020,750	\$ -
<b>Board Decision Benefit Reduction - Retiree Non-Medicare</b>	\$ 3,400,000	\$ -	\$ -	\$ -	\$ -
<b>Reinsurance Contributions (Cost)</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Comparative Effectiveness Research Fees (Cost)</b>	\$ (7,794)	\$ (6,952)	\$ -	\$ -	\$ -
<b>Pay Go Premium Transfer</b>	\$ 54,712,113	\$ 53,975,879	\$ 56,534,943	\$ 56,339,470	\$ 57,731,746

<u>Non-Medicare Fund</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Beginning Reserve</b>	\$ 386,969,062	\$ 426,970,814	\$ 463,269,881	\$ 504,118,064	\$ 547,651,852
<b>Fiscal Year Results</b>	37,976,772	36,299,067	40,848,183	43,533,788	45,922,047
<b>Ending Total Reserve</b>	426,970,814	463,269,881	504,118,064	547,651,852	593,573,898
<b>Ending Premium Stabilization Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Growth In Program Expenses</b>	-2.0%	8.7%	9.9%	10.4%	10.9%

# Public Comment